



House of Representatives

General Assembly

File No. 79

January Session, 2017

House Bill No. 7116

House of Representatives, March 16, 2017

The Committee on General Law reported through REP. BARAM of the 15th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE SALE OF PRIVATE LABEL ALCOHOLIC LIQUOR.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 30-63 of the general statutes is amended by adding
2 subsection (d) as follows (*Effective from passage*):

3 (NEW) (d) No holder of a manufacturer or wholesaler permit shall
4 discriminate in any manner on sales or purchases of any private label
5 alcoholic liquor to any retail permittee. Such private label alcoholic
6 liquor, if offered for sale or purchase by the holder of a manufacturer
7 or wholesaler permit, shall be offered at the same price and in the same
8 manner to each retail permittee or shall not be offered for sale or
9 purchase in this state.

10 Sec. 2. Section 30-64b of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective from passage*):

12 The sale of any alcoholic liquor by a wholesale or retail permittee:

13 (1) In violation of subsection (d) of section 30-63, as amended by this
14 act, or (2) for off-premises consumption at a price the intent of which is
15 to destroy or prevent competition with any other permittee holding a
16 like permit, shall be deemed an unfair pricing practice. The
17 Department of Consumer Protection may suspend or revoke any
18 permit upon a finding of an unfair pricing practice. In arriving at such
19 finding, the Department of Consumer Protection shall consider, but
20 not be limited to, the consideration of the following factors: Labor,
21 including salaries of executives and officers, rent, interest on borrowed
22 capital, depreciation, selling cost, maintenance of equipment, delivery
23 costs, credit losses, insurance and warehouse costs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	30-63
Sec. 2	<i>from passage</i>	30-64b

GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 18 \$	FY 19 \$
Consumer Protection, Dept.	GF - Revenue Loss	600,000	600,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill results in a revenue loss of approximately \$600,000 in FY 18 and FY 19.

The bill effectively eliminates private label alcohol sales in Connecticut. Each private label must be registered as a brand, which involves a \$200 fee for every registration. Currently there are over 3,000 private labels in Connecticut, according to the Department of Consumer Protection.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to any change in the brand registration fee.

OLR Bill Analysis**HB 7116*****AN ACT CONCERNING THE SALE OF PRIVATE LABEL ALCOHOLIC LIQUOR.*****SUMMARY**

This bill requires manufacturer or wholesaler permittees that sell private label alcoholic liquor in Connecticut to offer it for sale or purchase at the same price and manner to all retail permittees (e.g., package and grocery stores). The bill also prohibits manufacturer or wholesaler permittees from discriminating in any manner on sales or purchases of any private label alcoholic liquor to any retail permittee.

Under the bill, a violation by a wholesaler is deemed an unfair pricing practice. By law, the Department of Consumer Protection may suspend or revoke such permit, upon finding an unfair pricing practice.

EFFECTIVE DATE: Upon passage

BACKGROUND***Private Label***

Private label alcoholic liquor brands are generally brands that may be owned by or have exclusive contracts specifically with a particular retailer. For example, a particular distillery, winery, or brewery may have an exclusive contract to produce and sell their product only to a specific retailer.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 17 Nay 0 (03/07/2017)